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UNITED STATES PATENT AND TRADEMARK OFFICE

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

*Ex parte* STEVEN L. VANFLEET, BLAKE BENTON, MATTHEW T. BYRNE,  
TIMOTHY HORTON, JOHN J. III MASCavage, CASSANDRA J. MOLLETT,  
SUSAN M. NELSON, SUZANNE ROGERS, RHONDA D. SARGENT,  
MARTIN STIVERS, GARY J. TRAINOR, MARGARET M. WEICHERT, and  
DIANE WING

Appeal 2008-2352  
Application 10/825,971  
Technology Center 3600

Decided: September 12, 2008

Before JENNIFER D. BAHR, ANTON W. FETTING, and  
JOSEPH A. FISCHETTI, *Administrative Patent Judges*.  
*FETTING, Administrative Patent Judge.*

## DECISION ON APPEAL

## STATEMENT OF CASE

Steven L. Vanfleet, Blake Benton, Matthew T. Byrne, Timothy Horton, John J. III Mascavage, Cassandra J. Mollett, Susan M. Nelson, Suzanne Rogers, Rhonda D. Sargent, Martin Stivers, Gary J. Trainor, Margaret M. Weichert, and Diane Wing (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims 1-25, the only claims pending in the application on appeal.

1        We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

2  
3        We AFFIRM-IN-PART.

4        The Appellants invented a way for online transaction processing to allow debit  
5        transactions to be performed as part of online transaction processing (Specification  
6        1:¶ 0002).

7        An understanding of the invention can be derived from a reading of exemplary  
8        claim 1, which is reproduced below [bracketed matter and some paragraphing  
9        added].

10      1. A method for coordinating an Internet-based financial transaction  
11        between an Internet merchant and a customer, the method comprising:

12        [1] receiving, with a payment network, a first information packet from  
13        the Internet merchant, the first information packet comprising

14                a credential assigned to the customer and

15                transaction information specifying at least a cost of the Internet-  
16                based financial transaction;

17        [2] determining from the credential,

18                with the payment network,

19                account information that identifies

20                a financial account maintained by the customer at a  
21                financial institution and

22                authorization information that allows debit access to the  
23                identified financial account;

24        [3] generating,

25                with the payment network,

26                a second information packet comprising

27                the transaction information,

- the account information, and
- the authorization information; and

[4] transmitting,

- with the payment network,
- the second information packet to the financial institution
- with a request to perform a debit transaction
- from the identified financial account
- for the specified cost of the Internet-based financial transaction.

This appeal arises from the Examiner's final Rejection, mailed May 24, 2005. The Appellants filed an Appeal Brief in support of the appeal on January 5, 2006. An Examiner's Answer to the Appeal Brief was mailed on May 31, 2006. A Reply Brief was filed on July 28, 2006.

PRIOR ART

The Examiner relies upon the following prior art:

O'Leary US 6,609,113 B1 Aug. 19, 2003  
Chien US 2001/0054003 A1 Dec. 20, 2001

## REJECTIONS

Claims 1-7, 9, 14-23, and 25 stand rejected under 35 U.S.C. § 102(e) as anticipated by O'Leary.

Claims 8, 10-13, and 24 stand rejected under 35 U.S.C. § 103(a) as unpatentable over O'Leary and Chien.

## ISSUES

The issues pertinent to this appeal are:

- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 1-7, 9, 14-23, and 25 under 35 U.S.C. § 102(e) as anticipated by O'Leary.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 8, 10-13, and 24 under 35 U.S.C. § 103(a) as unpatentable over O'Leary and Chien.

The pertinent issues turn on whether O'Leary describes determining account information from credential information in a packet from a payment network.

## FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

O'Leary

01. O'Leary is directed to conducting electronic commerce, in which a payor pushes electronic credits to a payee using an Electronic Funds Transfer system (O'Leary 1:16-20).
02. O'Leary's system includes: a Payment Portal Processor; a digital Wallet; an Internet Pay Anyone (IPA) Account; a Virtual Private Lockbox (VPL); an Account Reporter; the existing EFT networks; and a cash card. The Payment Portal Processor (PPP) is a software application that augments any Internet browser with e-commerce capability. The PPP software sits in front of and provides a secure portal for accessing (linking to) the user's Demand Deposit Accounts (DDA) and IPA accounts. The PPP enables the user to push electronic credits from its

1 DDA and IPA accounts to any other accounts through the EFT network  
2 (O'Leary 4:54-65).

3 03. O'Leary describes a Payment Portal Processor (PPP). This is a  
4 software application that augments any Internet browser with e-  
5 commerce capability. The PPP software sits in front of and provides a  
6 secure portal for accessing (linking to) the user's Demand Deposit  
7 Accounts (DDA) and IPA accounts (O'Leary 4:58-60).

8 04. O'Leary provides a PPP enhanced Wallet that provides the user with a  
9 form of virtual cash that is secure and guaranteed. The PPP further  
10 contains a receipt feature and archive feature that maintains a transaction  
11 history of all payment activity with respect to accounts linked to the PPP  
12 (O'Leary 5:21-25).

13 05. The recipient of the credit is able to match the received credit with a  
14 proposed purchase using a transaction ID that is contained in the EFT  
15 credit push. In the Internet shopping embodiment, the Internet merchant  
16 provides the buyer with the transaction ID and the buyer includes the  
17 transaction ID in the EFT credit message sent to the Internet Merchant's  
18 VPL account (O'Leary 14:57-60).

19 06. O'Leary's customer uses the wallet by logging on and selecting the  
20 wallet icon on a browser, identifying and certifying himself, selecting  
21 shopping options, and beginning to shop. The merchant's web site  
22 recognizes the PPP enhanced wallet and automatically retrieves all of the  
23 data fields required from the customer for a purchase. When time to  
24 pay, the merchant site generates and transmits a payment message  
25 (O'Leary 15:19 – 65).

1        07. O'Leary's merchant site generates and transmits to the user a bill  
2              payment message including the following data: Merchant BIN;  
3              Merchant Account #; Transaction ID; and the Dollar Amount of the  
4              transaction (O'Leary 15:66-16:5).

5        08. O'Leary has a window display the bill payment message for review  
6              by the user. In the shopping cart method, after the customer has selected  
7              a number of items to purchase, the merchant site totals the items and  
8              transmits a consolidated payment message to the PPP enhanced Wallet  
9              (O'Leary 16:6-17).

10      09. If the user has selected to purchase the item pursuant to the bill  
11              payment message from the merchant site, the PPP portion of the PPP  
12              enhanced Wallet first verifies the user's balance in the primary account  
13              associated with the PPP enhanced Wallet. Using online banking  
14              procedures, the PPP enhanced Wallet is able to transfer funds from any  
15              account accessible by the PPP enhanced Wallet. If there are sufficient  
16              funds in the IPA (Internet Pay Anyone) account, the PPP generates a  
17              payment authorization message for transmission to the bank. The  
18              payment authorization message contains the above described payee  
19              information (merchant VPL account and bank address) and can also  
20              contain a user defined memo field for entry of any information desired  
21              by the user (e.g., "payment for new mystery book").

22      *Chien*

23      10. Chien is directed to facilitating transactions over networks using  
24              loyalty programs. A participant desiring to apply loyalty points to  
25              facilitate a particular transaction over a computerized network such as

the internet: (1) uses his or her charge card number to make an online purchase, (2) associates the charge card account with a loyalty account; and (3) invokes a process to apply a currency value credit (corresponding to a defined amount of loyalty points) to the participant's designated charge card account (Chien ¶ 0008).

## *Facts Related To The Level Of Skill In The Art*

11. Neither the Examiner nor the Appellants has addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, financial transaction systems design, debit transaction protocol design, data communications, or accounting system design. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

### *Facts Related To Secondary Considerations*

12. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In*

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1      *re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364, (Fed. Cir. 2004).

3      Limitations appearing in the specification but not recited in the claim are not  
4      read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed.  
5      Cir. 2003) (claims must be interpreted “in view of the specification” without  
6      importing limitations from the specification into the claims unnecessarily)

7      Although a patent applicant is entitled to be his or her own lexicographer of  
8      patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*,  
9      347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such  
10     definitions in the Specification with sufficient clarity to provide a person of  
11     ordinary skill in the art with clear and precise notice of the meaning that is to be  
12     construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although  
13     an inventor is free to define the specific terms used to describe the invention, this  
14     must be done with reasonable clarity, deliberateness, and precision; where an  
15     inventor chooses to give terms uncommon meanings, the inventor must set out any  
16     uncommon definition in some manner within the patent disclosure so as to give  
17     one of ordinary skill in the art notice of the change).

18     *Anticipation*

19     "A claim is anticipated only if each and every element as set forth in the claim  
20     is found, either expressly or inherently described, in a single prior art reference."  
21     *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir.  
22     1987). "When a claim covers several structures or compositions, either generically  
23     or as alternatives, the claim is deemed anticipated if any of the structures or  
24     compositions within the scope of the claim is known in the prior art." *Brown v.*  
25     *3M*, 265 F.3d 1349, 1351 (Fed. Cir. 2001). "The identical invention must be

1 shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki*  
2 *Motor Co.*, 868 F.2d 1226, 1236 (Fed. Cir. 1989). The elements must be arranged  
3 as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of  
4 terminology is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

5 *Obviousness*

6  
7 A claimed invention is unpatentable if the differences between it and the  
8 prior art are "such that the subject matter as a whole would have been obvious at  
9 the time the invention was made to a person having ordinary skill in the art."  
10 35 U.S.C. § 103(a) (2000); *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1729-30  
11 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

12 In *Graham*, the Court held that that the obviousness analysis is bottomed on  
13 several basic factual inquiries: "[(1)] the scope and content of the prior art are to be  
14 determined; [(2)] differences between the prior art and the claims at issue are to be  
15 ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." 383  
16 U.S. at 17. See also *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. at 1734. "The  
17 combination of familiar elements according to known methods is likely to be  
18 obvious when it does no more than yield predictable results." *KSR*, at 1739.

19 "When a work is available in one field of endeavor, design incentives and  
20 other market forces can prompt variations of it, either in the same field or a  
21 different one. If a person of ordinary skill can implement a predictable variation,  
22 § 103 likely bars its patentability." *Id.* at 1740.

23 "For the same reason, if a technique has been used to improve one device,  
24 and a person of ordinary skill in the art would recognize that it would improve  
25 similar devices in the same way, using the technique is obvious unless its actual  
26 application is beyond his or her skill." *Id.*

“Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742.

## ANALYSIS

*Claims 1-7, 9, 14-23, and 25 rejected under 35 U.S.C. § 102(e) as anticipated by O'Leary.*

The Appellants argue claims 1-7, 9, 14-23, and 25 as a group.

Accordingly, we select claim 1 as representative of the group.

<sup>37</sup> C.F.R. § 41.37(c)(1)(vii) (2007).

The Examiner found that O’Leary anticipates claim 1. The Appellants contend that O’Leary fails to describe receiving the credential in a packet in limitation [1] and determining account information that identifies a financial account maintained by the customer in limitation [2] (Br. 8:First ¶). The Appellants contend that O’Leary’s transaction ID, which the Examiner found described the credential, does not access the user’s account. The Appellants contend that O’Leary’s wallet functionality identified by information from the user rather than a packet from the payment network, provides access to the customer’s account (Br. 8:Second ¶).

We agree with the Examiner. The Appellants' arguments are not commensurate with the scope of the claim. Limitation [2] of claim 1 requires determining, from the credential in limitation [1], with a payment network, information identifying a financial account maintained by the customer at a financial institution. Nothing in limitation [2] further limits how such a determination occurs, other than the determination rely on some logic that uses the credential.

1        The payment network limitation is not in contention. We find that O'Leary's  
2 EFT network (FF 02) connecting the customer to the merchant over which  
3 payment information is transmitted to be such a network based simply on the  
4 payment operation.

5        As to the determination in limitation [2], we find that O'Leary's merchant  
6 sends a packet containing the information in limitation [1] to a PPP enhanced  
7 wallet (FF 07 & 08). This occurs after the customer has logged on, shopped, and  
8 selected a purchase (FF 06). O'Leary's PPP enhanced wallet is an electronic  
9 wallet, i.e. a store for data, with PPP software that sits in front of and provides a  
10 secure portal for accessing (linking to) the user's Demand Deposit Accounts  
11 (DDA) and IPA accounts (FF 03).

12       After O'Leary's merchant sends a packet containing the information in  
13 limitation [1] to a PPP enhanced wallet, if the user has selected to purchase the  
14 item pursuant to the bill payment message from the merchant site, the PPP  
15 generates a payment authorization message for transmission to the bank (FF 09).  
16 The transaction ID is sent in another EFT network message to the merchant's VPL  
17 (virtual lockbox) account to match with the original message so as to identify the  
18 transaction (FF 05).

19       Therefore, the credential triggers a series of operations that has the customer  
20 complete the purchase associated with the credential in the payment message, and  
21 causes the PPP to generate payment authorization messages for banks. Such  
22 authorizations inherently and necessarily contain account information to which  
23 such authorization pertains. The credential is required for the sale to be processed  
24 because the credential must be re-sent to the merchant to match with the original  
25 message. Thus, O'Leary determines, from the credential, which is transmitted over

1 a payment network, information identifying a financial account maintained by the  
2 customer at a financial institution.

3 The Appellants have not sustained their burden of showing that the Examiner  
4 erred in rejecting claims 1-7, 9, 14-23, and 25 under 35 U.S.C. § 102(e) as  
5 anticipated by O'Leary.

6 *Claims 8, 10-13, and 24 rejected under 35 U.S.C. § 103(a) as unpatentable over*  
7 *O'Leary and Chien.*

8 Independent claim 10 requires an electronic file having encrypted content and  
9 transaction information specifying at least a cost of the Internet-based financial  
10 transaction; and decrypting the electronic file, with the payment network, to  
11 recover a primary account number ("PAN") that identifies a financial account  
12 maintained by the customer at a financial institution and to recover a personal  
13 identification number ("PIN") assigned to the customer for accessing the identified  
14 financial account. Claim 10 also requires a loyalty program. The Examiner  
15 found that Chien describes a loyalty program; this is not in contention. But the  
16 Appellants contend that the two pieces of information required to be in that packet  
17 are not described in O'Leary (Br. 9:Third full ¶). The Examiner found the  
18 encrypted content on O'Leary's login encryption (Answer 7).

19 The Examiner makes no findings, however, as to the inclusion of both  
20 encrypted content to recover a PAN and the transaction information specifying  
21 cost. The encrypted login is not in the packet that gets sent in O'Leary with the  
22 payment transaction. We are unable to find such a description of both such  
23 encrypted information and transaction information in a packet in O'Leary. We  
24 therefore find the Examiner has failed to make a *prima facie* case of unpatentability  
25 as to claim 10, and its dependent claims.

1 The only argument the Appellants make regarding claim 8 is that it depends  
2 from claim 1 and therefore is patentable for the same reasons as claim 1. Since we  
3 found the Appellants did not sustain their burden as to claim 1, we similarly find  
4 the Appellants have not sustained their burden as to claim 8.

5 The Appellants have sustained their burden of showing that the Examiner erred  
6 in rejecting claims 10-13, and 24, but have not sustained their burden of showing  
7 that the Examiner erred in rejecting claim 8 under 35 U.S.C. § 103(a) as  
8 unpatentable over O'Leary and Chien.

## CONCLUSIONS OF LAW

10 The Appellants have not sustained their burden of showing that the Examiner  
11 erred in rejecting claims 1-9, 14-23, and 25 under 35 U.S.C. § 103(a) as  
12 unpatentable over the prior art, but they have sustained their burden of showing  
13 that the Examiner erred in rejecting claims 10-13 and 24 under 35 U.S.C. § 103(a)  
14 as unpatentable over the prior art.

## DECISION

16 To summarize, our decision is as follows:

- The rejection of claims 1-7, 9, 14-23, and 25 under 35 U.S.C. § 102(e) as anticipated by O'Leary is sustained.
- The rejection of claim 8 under 35 U.S.C. § 103(a) as unpatentable over O'Leary and Chien is sustained.
- The rejection of claims 10-13 and 24 under 35 U.S.C. § 103(a) as unpatentable over O'Leary and Chien is not sustained.

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1 No time period for taking any subsequent action in connection with this appeal  
2 may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

**AFFIRMED-IN-PART**

6 TOWNSEND AND TOWNSEND AND CREW, LLP  
7 TWO EMBARCADERO CENTER  
8 EIGHTH FLOOR  
9 SAN FRANCISCO, CA 94111-3834